

AMENDED IN ASSEMBLY APRIL 16, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 304

Introduced by Assembly Member Price

February 17, 2009

An act to amend ~~Sections 8223 and 8224~~ *Section 8222* of the Education Code, relating to child care and development.

LEGISLATIVE COUNSEL'S DIGEST

AB 304, as amended, Price. Child Care and Development Services Act: alternative payment programs.

The Child Care and Development Services Act, administered by the State Department of Education, provides that children up to 13 years of age are eligible, with certain requirements, for child care and development services. The act requires the department to contract with local contracting agencies to provide for alternative payment programs and ~~requires the reimbursement for alternative payment programs to include the cost of child care paid to child care providers, and past administrative and support services. The act further requires the audits for local contracting agencies for alternative payment programs to include specified factors, including a sampling of the evidence of specified fees~~ *authorizes alternative payments to be made for services provided in licensed centers and family day care homes, for care provided in the child's home, and for other types of care that conform to applicable law.*

~~This bill would make technical, nonsubstantive changes to those provisions.~~

This bill would require an alternative payment program to establish a program of direct deposit by electronic transfer for payments made

to family day care homes, and to implement that program no later than 6 months after this act takes effect.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) The state has a responsibility to ensure accountability,*
4 *transparency, and efficiency regarding funds allocated for the*
5 *provision of subsidized child care for working families.*

6 *(b) The program operated by the state should be cost-effective,*
7 *streamlined, and simple to administer in order to ensure adequate*
8 *care for children placed in family day care homes, while not*
9 *placing undue burdens on the providers.*

10 *(c) The state has a compelling interest in retaining quality family*
11 *day care providers and promoting best practices, fiscal*
12 *accountability, and reducing fraud and waste in California's*
13 *system of subsidized child care.*

14 *SEC. 2. Section 8222 of the Education Code is amended to*
15 *read:*

16 8222. (a) Payments made by alternative payment programs
17 shall not exceed the applicable market rate ceiling. Alternative
18 payment programs may expend more than the standard
19 reimbursement rate for a particular child. However, the aggregate
20 payments for services purchased by the agency during the contract
21 year shall not exceed the assigned reimbursable amount as
22 established by the contract for the year. ~~No~~ An agency ~~may~~ shall
23 not make payments in excess of the rate charged to full-cost
24 families. This section does not preclude alternative payment
25 programs from using the average daily enrollment adjustment
26 factor for children with exceptional needs as provided in Section
27 8265.5.

28 (b) Alternative payment programs shall reimburse licensed child
29 care providers in accordance with a biennial market rate survey
30 pursuant to Section 8447, at a rate not to exceed the ceilings
31 established pursuant to Section 8357.

32 (c) An alternative payment program shall reimburse a licensed
33 provider for child care of a subsidized child based on the rate

1 charged by the provider to nonsubsidized families, if any, for the
2 same services, or the rates established by the provider for
3 prospective nonsubsidized families. A licensed child care provider
4 shall submit to the alternative payment program a copy of the
5 provider's rate sheet listing the rates charged, and the provider's
6 discount or scholarship policies, if any, along with a statement
7 signed by the provider confirming that the rates charged for a
8 subsidized child are equal to or less than the rates charged for a
9 nonsubsidized child.

10 (d) An alternative payment program shall maintain a copy of
11 the rate sheet and the confirmation statement.

12 (e) A licensed child care provider shall submit to the local
13 resource and referral agency a copy of the provider's rate sheet
14 listing rates charged, and the provider's discount or scholarship
15 policies, if any, and shall self-certify that the information is correct.

16 (f) Each licensed child care provider may alter rate levels for
17 subsidized children once per year and shall provide the alternative
18 payment program and resource and referral agency with the updated
19 information pursuant to subdivisions (c) and (e), to reflect any
20 changes.

21 (g) A licensed child care provider shall post in a prominent
22 location adjacent to the provider's license at the child care facility
23 the provider's rates and discounts or scholarship policies, if any.

24 (h) An alternative payment program shall verify provider rates
25 no less ~~frequently~~ than once a year by randomly selecting 10
26 percent of licensed child care providers serving subsidized families.
27 The purpose of this verification process is to confirm that rates
28 reported to the alternative payment programs reasonably correspond
29 to those reported to the resource and referral agency and the rates
30 actually charged to nonsubsidized families for equivalent levels
31 of services. It is the intent of the Legislature that the privacy of
32 nonsubsidized families shall be protected in implementing this
33 subdivision.

34 (i) The department shall develop regulations for addressing
35 discrepancies in the provider rate levels identified through the rate
36 verification process in subdivision (h).

37 (j) *(1) An alternative payment program shall establish a*
38 *program of direct deposit by electronic transfer for payments made*
39 *to family day care homes that have a contract with that alternative*
40 *payment program. A family day care home may choose to receive*

1 *payments via direct deposit at the family day care home provider's*
2 *option. The family day care home provider may authorize payment*
3 *to be directly deposited by electronic fund transfer into the family*
4 *day care home provider's account at the financial institution of*
5 *his or her choice.*

6 *(2) Nothing in this subdivision shall preclude an alternative*
7 *payment program that has a direct deposit program in place prior*
8 *to the effective date of this subdivision from continuing to require*
9 *a provider to accept direct deposit or another form of electronic*
10 *payment after the effective date of this subdivision.*

11 *(3) An alternative payment program shall implement a direct*
12 *deposit program pursuant to this subdivision no later than six*
13 *months from the effective date of this subdivision.*

14 ~~SECTION 1. Section 8223 of the Education Code is amended~~
15 ~~to read:~~

16 ~~8223. The reimbursement for alternative payment programs~~
17 ~~shall include the cost of child care paid to child care providers plus~~
18 ~~the administrative and support services costs of the alternative~~
19 ~~payment program. The total cost for administrative and support~~
20 ~~services shall not exceed an amount equal to 19 percent of the total~~
21 ~~contract amount. The administrative costs shall not exceed the~~
22 ~~costs allowable for administration under federal requirements.~~

23 ~~SEC. 2. Section 8224 of the Education Code is amended to~~
24 ~~read:~~

25 ~~8224. The audits for local contracting agencies shall include,~~
26 ~~but not be limited to, a sampling of the evidence of fees charged~~
27 ~~to, and paid by, families of nonsubsidized children, the daily~~
28 ~~enrollment of subsidized children, the number of days of service~~
29 ~~provided to subsidized children, the assessment and collection of~~
30 ~~parent fees, and the availability of support services to subsidized~~
31 ~~children and their families as needed pursuant to the terms of the~~
32 ~~contract.~~